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APPLICATION

Honorable James H. Welsh Commissioner of Conservation P.O., Box 94275 Baton Rouge, LA 70804-9275

RE: Operc B Zone, Reservoir B

Operc B Zone, Reservoir F Operc C Sand, Reservoir B Operc 3 Sand, Reservoir B Operc 5 Sand, Reservoir A

Ramos Field

St. Mary, Assumption & Terrebonne Parishes, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of THE MERIDIAN RESOURCE & EXPLORATION, L.L.C. for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the Operc B Zone, Reservoir B, the Operc B Zone, Reservoir F, the Operc C Sand, Reservoir B, and the Operc 5 Sand, Reservoir A, Ramos Field, St. Mary, Assumption & Terrebonne Parishes, Louisiana, to-wit:

- A. AS TO THE OPERC B ZONE, RESERVOIR B:
 - 1. To redesignate the Operc B Sand, Reservoir B, as adopted by Office of Conservation Order No. 389-F-1, effective September 16, 1998, as the Operc B Zone, Reservoir B, and redefine the Operc B Zone, Reservoir B as more particularly defined herein;

- 2. To confirm and continue in full force and effect OPERC B RB SUA, created by Office of Conservation Order No. 389-F-1 for the Operc B Sand, as a single drilling and production unit for the OPERC B ZONE, RESERVOIR B, as redefined herein;
- 3. To designate The Meridian Resource & Exploration, L.L.C. as the unit operator for the proposed unit;
- 4. To designate the Meridian Resource & Exploration, L.L.C. C.M. Thibodeaux No. 3 Well as the unit well for the proposed unit;
- 5. To provide that the Commissioner of Conservation should be authorized to reclassify the Operc B Zone, Reservoir B, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and,
- 6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

B. AS TO THE OPERC B ZONE, RESERVOIR F:

- To dissolve OPERC B RB SUB created by Office of Conservation No. 389-F-1, and simultaneously therewith, to establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate from the Operc B Zone, Reservoir F, designated OPERC B RF SUA, such unit having exterior boundaries identical to the boundaries of OPERC B RB SUB created by Office of Conservation Order No. 389-F-1;
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
- 3. To designate The Meridian Resource & Exploration, L..L.C. as the unit operator for the proposed unit;
- 4. To designate the Meridian Resource & Exploration, L.L.C. Norman Breaux No. 1 Well as the unit well for the proposed unit; and

- 5. To provide that the Commissioner of Conservation should be authorized to reclassify the Operc B Zone, Reservoir F, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and,
- 6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

C. AS TO THE OPERC C SAND, RESERVOIR B:

- To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated OPERC C RB SUA;
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
- 3. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
- 4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

D. AS TO THE OPERC 3 SAND, RESERVOIR B AND THE OPERC 5 SAND, RESERVOIR A:

1. To confirm and continue in full force and effect the drilling and production units created for the Operc 3 Sand, Reservoir B by Office of Conservation Order No. 389-E-2, effective September 16, 1998 and the drilling and production units created for the Operc 5 Sand, Reservoir A, by Office of Conservation Order No. 389-H, effective September 16, 1998.

The Operc B Zone, Reservoir B, in the Ramos Field, is hereby defined as that certain gas and condensate bearing interval encountered between the depths of 17,206 feet and 17,916 feet, true vertical depth, in The Meridian Resource & Exploration, L.L.C.

(Burlington Resources, Inc.) - Avoca, Inc. No. 1 Well, located in Section 36, Township 16 South, Range 13 East, Assumption Parish, Louisiana.

The Operc B Zone, Reservoir F, in the Ramos Field, is hereby defined as that gas and condensate bearing interval encountered between the depths of 17,503 feet and 17,750 feet, true vertical depth, in The Meridian Resource & Exploration, L.L.C. - Norman Breaux No. 1 Well, located in Section 33, Township 16 South, Range 13 East, Assumption Parish, Louisiana.

The Operc C Sand, Reservoir B in Ramos Field is hereby defined as that certain gas and condensate bearing sand encountered between the depths of 18,125 feet and 18,180 feet, electric log measurements, in The Meridian Resource & Exploration, L.L.C. - C. M. Thibodeaux No. 1 Well, located in Section 36, Township 16 South, Range 13 East, Assumption Parish, Louisiana.

The Operc 3 Sand, Reservoir B in the Ramos Field, was previously defined in Office of Conservation Order No. 389-D-2, effective September 15, 1998, and is hereby further defined as that certain gas and condensate bearing sand encountered between the depths of 18,309 feet and 18,484 feet, electric log measurements, in The Meridian Resource & Exploration, L.L.C. - C. M. Thibodeaux No. 1 Well, located in Section 36, Township 16 South, Range 13 East, Assumption Parish, Louisiana.

The Operc 5 Sand, Reservoir A, was previous defined in Office of Conservation Order No. 389-H, effective September 16, 1998, and further defined in Office of Conservation Order No. 389-H-3.

A conference to discuss the proposed application and any opposition thereto was held at 10:30 a.m. on the 21st day of November, 2002, at Holiday Inn Central - Holidome, 2032 NE Evangeline Thrwy., Lafayette, Louisiana 70501 (337-233-6815). A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a brief discussion of the Rules of Procedure. James Hardwick, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefor, and answered questions. There were no counter plans presented by any Interested Owners, Represented Parties or Interested Parties, as defined by the Rules of Procedure. However, Robert L. Cabes and Joe Adams, attorney and geological consultant for Stephens Production Company, who contends that it is an Interested Owner, indicated that Stephens intended to present a plan at the public hearing which would create a separate unit (identical to the OPERC 5 RA SUA) for a different sand for the completion in the Meridian-Avoca Inc. No. 1 Well, which well is currently designated as the alternate unit well in the OPERC 5 RA SUA. Mr. Cabes and Mr. Adams answered questions concerning Stephens' proposal.

Mr. Songy concluded the conference with a request that if any party decided to file a counterplan which proposed that geological boundaries should be established for any of the units involved in this proceeding, that they contact him as soon as that decision was made so that he could notify all the parties in attendance. Mr. Songy noted that because of the number of sands involved, the complexity of any potential geological interpretation, the particular timing of this proceeding around the Christmas holidays, and the fact that no party to date has indicated a desire to utilize geological boundaries, he felt it would be unfair to all of the parties involved for a party to file a geological counterplan 15 days before the hearing without prior notice to the other parties. The conference was then adjourned.

Pertinent data relating to the proposed application can be obtained, <u>AT THE COST OF THE REQUESTING PARTY</u>, by contacting James Hardwick, Cutright & Hardwick, 120 Rue Beauregard, Suite 110, Lafayette, Louisiana 70508 (Phone: 337-232-7756).

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$3,775.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,

RANDALL C SONO

RCS/elg/bad

Enclosures

CC:

Mr. Richard Hudson, District Manager Office of Conservation

All Interested Owners, Interested Parties and Represented Parties







